

Shoreline Park Gateway & Shoreline Community Gateway



Funding Request for Site Assembly, Remediation and Preparation

Submitted to: Northwest Indiana Regional Development Authority
Submitted by: City of East Chicago

March 17, 2008

**NORTHWEST INDIANA REGIONAL DEVELOPMENT AUTHORITY
APPLICATION FOR FINANCIAL SUPPORT**

APPLICANT: City of East Chicago

DATE OF FILING: March 17, 2008

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PROJECT DESCRIPTION

Indiana Harbor, the City of East Chicago's lakefront community, is undergoing comprehensive revitalization. This work includes connecting a revitalized Main Street District to a regional shoreline as outlined in the Marquette Plan. For projects specifically related to shoreline redevelopment and community connection, the City of East Chicago views the Regional Development Authority and adjacent shoreline municipalities as important long-term partners. Within this context, The South Shore Lakefront Plan ("SSLP"), an RDA funded collaboration between the Cities of East Chicago and Gary, will outline the redevelopment of the mile long shoreline located between the East Chicago Marina and Gary's Buffington Harbor.

The SSLP will apply the principles and vision of the Marquette Plan, including green space creation, public accessibility, and community reinvestment. The SSLP's completion is scheduled for Spring 2009. Implementing the SSLP will take Northwest Indiana one step further in redeveloping its shoreline to maximize quality of life and economic potential. However, implementation of any redevelopment plan requires site control and preparation.

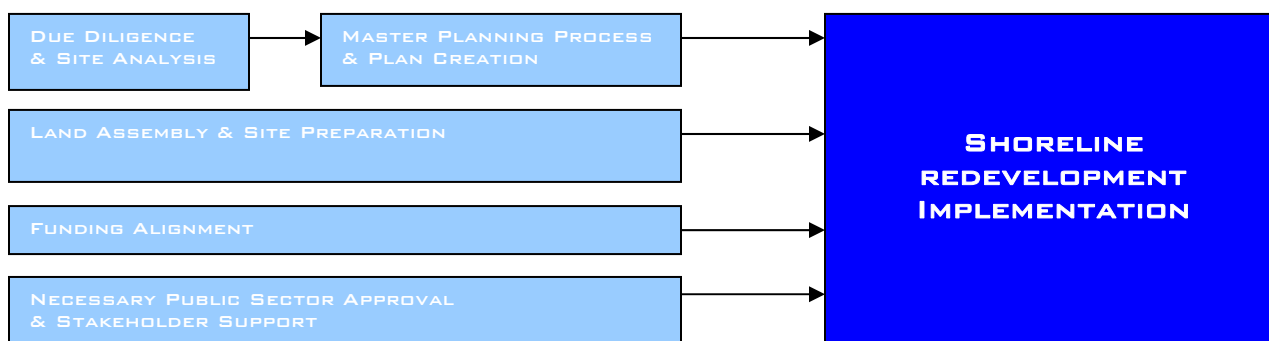
In this application, The City of East Chicago ("City") requests RDA funding for site assembly, remediation and preparation while the SSLP is being completed. As recommended in the Marquette Plan's Industrial and Infrastructure Framework, the City has already begun land assembly and site preparation by starting to move its water works facility away from the shoreline. To continue Marquette Plan recommendations and to prepare land for the SSLP, additional land assembly and preparation are necessary for areas we refer to as:

- **Shoreline Park Gateway:** The first phase of a new regionally accessible shoreline park.
- **Shoreline Community Gateway:** The entrance leading from the redeveloped shoreline to a revitalized Indiana Harbor, bringing the economic benefits of shoreline redevelopment into the existing community.

In conjunction with the water works site, assembling, remediating and preparing these known gateway sites will secure approximately 32 acres of land for the implementation of the South Shore Lakefront Plan.

A Necessary Step for Shoreline Redevelopment Implementation

The implementation of shoreline redevelopment requires many steps, including due diligence and site analysis, master plan creation, land assembly, remediation, site preparation, capital project design, stakeholder alignment, and funding allocation. Some of these steps can and should occur simultaneously. The funding request for site assembly, remediation and preparation is being made now because it is a necessary step that can occur while the South Shore Lakefront Plan is being created. Significant unnecessary delays would occur if these tasks were held until after the SSLP is complete. By preparing the gateways now, shoreline redevelopment's impact can be felt more immediately and build momentum for additional phases of redevelopment.

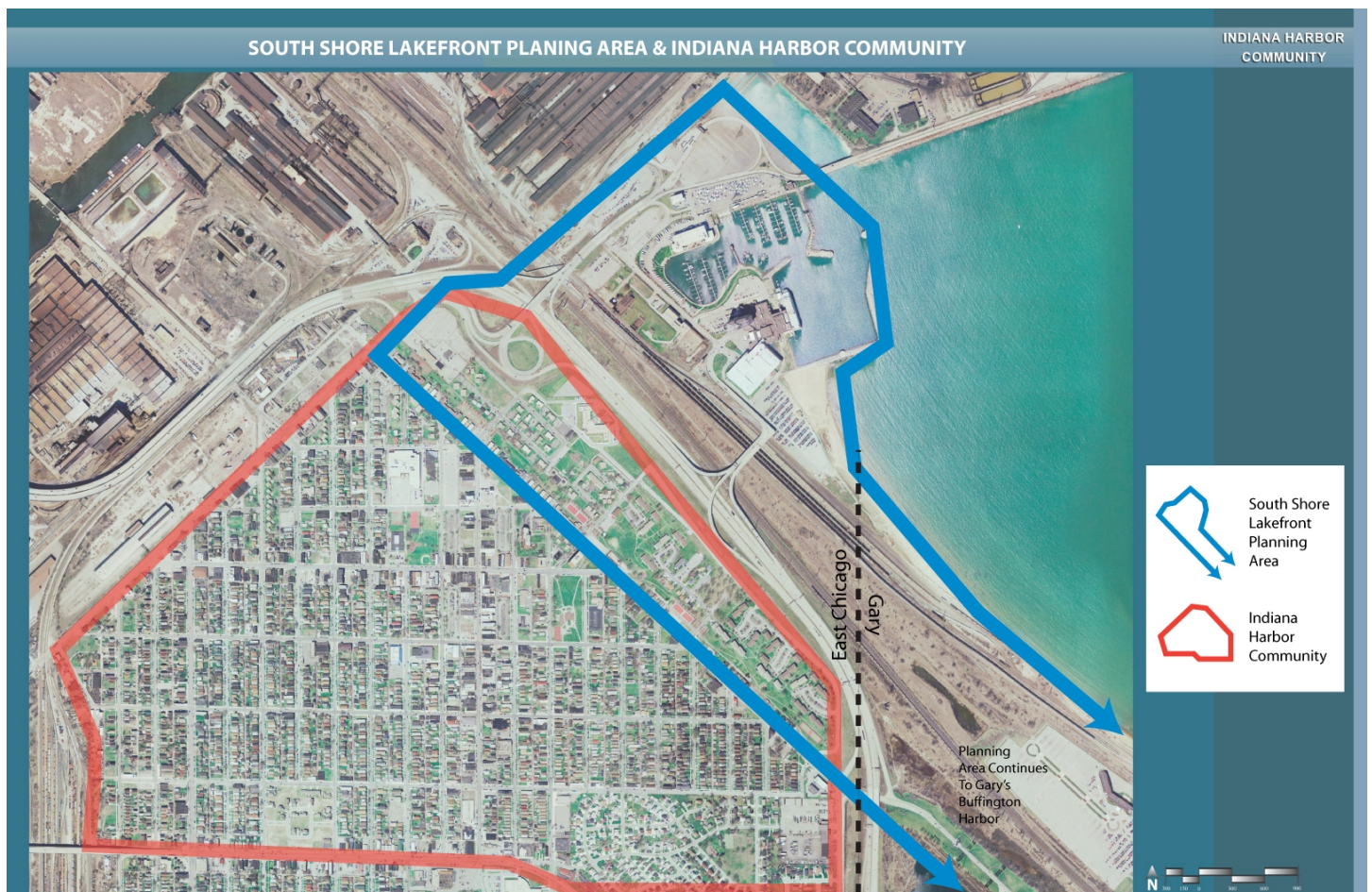


Background: South Shore Lakefront Plan & Indiana Harbor Revitalization

In 2005, The City of East Chicago began work on the comprehensive revitalization of its Indiana Harbor community. In 2006, The Community Builders, Inc., a nonprofit organization and national expert on comprehensive neighborhood revitalization, partnered with the City to plan and implement a series of projects which will collectively revitalize Indiana Harbor and its adjacent shoreline. This comprehensive approach and its related projects are now known as the North Harbor Initiative.

As work on the North Harbor Initiative began, it quickly became clear that reconnecting the community to a redeveloped, regionally accessible shoreline would lead to a significant improvement in quality of life and economic benefits. As a result, the City of East Chicago partnered with the City of Gary to submit a joint RDA application requesting due diligence and planning funds to create the South Shore Lakefront Plan.

The RDA approved and fully executed due diligence funding in Summer 2007. Due diligence includes obtaining a full understanding of utility, environmental, market, and infrastructure conditions. The Plan's due diligence is expected to be completed in Fall 2008. After due diligence is complete, a full planning process can begin. This planning process will require collaboration among the City of East Chicago, City of Gary, RDA, private stakeholders, adjacent municipalities, key regional organizations, and other Marquette Plan stakeholders. The SSLP will support the goals of the Marquette Plan and at the same time directly benefit redevelopment efforts in both East Chicago and Gary. We expect completion of the South Shore Lakefront Plan in late Spring 2009.



Preparing for SSLP Implementation by Advancing Other Marquette Plan Recommendations

The Marquette Plan makes a number of recommendations for East Chicago's shoreline. The City is moving forward with those recommendations that can coincide with the completion of the SSLP.

Relocating East Chicago Water Works away from Shoreline

The Marquette Plan's Industry and Infrastructure Framework recommends relocating the East Chicago Water Works away from the shoreline and marina area. The City has followed this recommendation and is now ready to build a new plant on vacant land away from the lakefront. The City is using its own funds and the support of the State Revolving Fund Loan Program to build the new facility. City and RDA funds will be used to demolish and remediate the existing water works site, which will free up 9 acres of land along the East Chicago Marina.

Improving Access to Jeorse Park

The Marquette Plan's Greenways Framework and its Multi-Use Trails Framework both suggest making improvements in access, quality, and size of Jeorse Park & Beach. Understanding the importance of public access to the shoreline, the City reopened this beach to the public in 2006 and secured a portion of Resorts Casino's employee parking lot for beach visitors. The City also used State grants and City funds for erosion control and beautification, including the planting of native grasses.

Community Reinvestment

One of the Marquette Plan's key goals is to: "Change the perception of lakefront and lakefront communities as a destination and a place that attracts new residents and new investment." In concert with this goal and in anticipation of the SSLP's completion, the City is moving forward on adjacent community revitalization projects that will directly complement shoreline redevelopment.

In particular, the City is rebuilding Indiana Harbor's Main Street District. More than just a collection of small businesses and restaurants, the Main Street District has two parks, an elementary school, a community center, a post office, a bank, and a medical clinic. It once functioned as the heart of the community and attracted visitors from nearby cities. Today, the area is in disrepair with excessive vacancy and a widespread negative perception. The decline of the Main Street District has had a detrimental impact on the entire Indiana Harbor Community and its various neighborhoods. Yet the District's basic community infrastructure, and therefore its potential, remains fully intact.

After a year of planning, several community and local merchant workshops, and the assemblage of millions of dollars in private and public funding, multiple projects are now moving forward.

- Townhomes are being constructed this spring to attract working families and help rejuvenate community retail.
- Community parks are being renovated and expanded to provide more green space and public space for recreational activities and outdoor concerts.
- Indiana Harbor's Carnegie Library is being renovated and converted into the Carnegie Performing Arts Center.
- A police substation will be created to help ensure public safety and security in this revitalization area.
- New streetscapes, sewers and water lines are now being installed along key retail corridors.

Please see attachment A for supportive visuals and a description of the North Harbor Initiative.

A Key to Success: Shoreline-Community Connection & Gateways

Connecting the Main Street District directly to the beaches and parks of the South Shore Lakefront Plan is central to Indiana Harbor's revitalization and the Marquette Plan's Community Reinvestment principles. Indiana Harbor residents will be able to walk, bike, and drive to Lake Michigan. Shoreline visitors will be able to eat at restaurants, celebrate at festivals, attend a performing arts center, and enjoy other amenities at Indiana Harbor's Main Street District. Realizing this vision requires building a walkable connection and inviting gateways between the shoreline and the existing community.

Please see Attachment B for a conceptual aerial of this connection between community and shoreline.

The SSLP will determine specifically how the shoreline, a shoreline-community connection, and related gateways will look. However, the Marquette Plan already guides objectives for these elements.

Shoreline

The Marquette Plan calls for recapturing 75% of Indiana's shoreline for public access. The South Shore Lakefront Plan will outline a shoreline park and beach that connect the East Chicago Marina to Gary's Buffington Harbor. In addition, the Marquette Plan calls for nodes of mixed-used development to help create lakefront destinations. Functioning as these nodes, marinas will have an appropriate balance of mixed-use development and public green space.

Currently, the mile long shoreline shared by East Chicago and Gary is encumbered by utility and rail infrastructure, excessive surface parking, obsolete and abandoned water works facilities, and highway ramps that impede access to a restored shoreline. The due diligence currently underway will help planners and stakeholders determine how to overcome these barriers.

Shoreline-Community Connection: The Marquette Plan recommends improvements to Cline Avenue that provide public access and connect the shoreline to adjacent communities. With this in mind, a connection between Indiana Harbor and the shoreline will be necessary. This connection will likely take the form of a bridge, but different forms of green space "decking" may also be considered during the planning process. It should accommodate vehicular and pedestrian traffic, be attractive and inviting to visitors and residents, and enhance a regional trail system. The bridges that connect neighborhoods to lakefront parks and trails along Chicago's Lakeshore Drive constitute a useful example for this type of connection.

Currently, the community is not directly connected to the shoreline. Eight lanes of Cline Avenue at grade level and multiple railroad tracks separate the community from the shoreline. The 39th Street Bridge along Chicago's Lakeshore Drive is a comparable shoreline-community connection that overpasses 6 railroad tracks and 8 lanes of highway.

Gateways:

In land-use planning, gateways serve as inviting transitions from one land use to another. They attract visitors into a larger shoreline park and shoreline visitors into a revitalized community.

Shoreline Park Gateway: Following the Marquette Plan's Multi-Use Trails Framework, this 17 acre Shoreline Park Gateway would serve as the entrance to and first phase of a larger, regionally accessible park and beach covering dozens of acres, connecting to regional trails, and supporting a reinvestment strategy for Indiana's entire shoreline.

Currently, Jeorse Park, a casino employee parking lot, and a few additional acres of vacant shoreline occupy the site for this gateway. With RDA funding, most of the parking lot can be

demolished, connected with Jeorse Park, and prepared for the implementation of the South Shore Lakefront Plan. Please see attachment C.

Shoreline Community Gateway: Following recommendations from the Marquette Plan's Community Investment Framework, the Shoreline Community Gateway would help connect the existing community to a redeveloped regional shoreline. RDA investments in shoreline redevelopment are meant to serve as catalysts for economic development. This gateway will help bring the economic benefits of shoreline redevelopment into the community, making it more desirable to homebuyers and small businesses.

Specifically, the gateway would lead visitors and residents from the shoreline along Broadway Street into the Main Street District, with its new pedestrian-scaled residential and retail development. The gateway would include a renovated Callahan Park. The City has committed \$1,000,000 to park improvements, including a new outdoor stage and seating for concerts and festivals.

Currently, this gateway area suffers as blighted and largely vacant land. Infrastructure and streetscape are being rebuilt and the park is being renovated. However, strategic redevelopment, in direct concert with the South Shore Lakefront Plan, must be implemented to rebuild this area as a community gateway. Site assembly, remediation and preparation are needed to connect current community revitalization projects to shoreline redevelopment. Please see Attachment D.

RDA Support: Land Assembly, Remediation and Site Preparation

Redevelopment plans are often created, but site preparation, land assembly and remediation are needed to move those plans to implementation. The City requests up to and not to exceed \$3,900,000 in RDA funding for site assembly, remediation and preparation of the shoreline park gateway and shoreline community gateway. This would prepare approximately 23 acres of land for implementation of the SSLP. Combined with East Chicago's water works site, this would mean over 32 acres of land would be ready for SSLP implementation. Moreover, 17 acres of shoreline green space would be open to the public as soon as its site preparation is complete.

The appropriate professional planning, real estate, and infrastructure consultants have estimated all project costs. Work on the shoreline community gateway can begin immediately. Work on the shoreline park gateway can begin in early fall 2008. This funding would be drawn down over an agreed upon timeline and in an agreed upon approval process.

Shoreline Park Gateway (maximum limit):	\$1,200,000
Shoreline Community Gateway (maximum limit):	\$2,700,000
Total:	\$3,900,000

Continuing Shoreline Redevelopment Support

The South Shore Lakefront Plan is a year away from completion. Depending on its scale, the Plan's implementation will likely take several years or more. Beginning land assembly, remediation and site preparation now is an important and necessary step in sustaining momentum. Yet, it remains a preliminary step. Larger remediation and capital projects will be required to implement the Plan, whatever form it ultimately takes. Order of magnitude capital project estimates were provided in SSLP's due diligence and planning application. The scale and significance of those projects imply the need for building long-term partnerships with stakeholders in the state and federal public sector. These capital projects will also require public-private partnerships to remove shoreline barriers and attract private investment.

The City of East Chicago looks forward to its long-term collaboration with the RDA in developing the partnerships and public-private commitments necessary to advance meaningful shoreline redevelopment and achieve the goals of the Marquette Plan. As noted in the RDA's Comprehensive Economic Development Plan, shoreline redevelopment "will substantially impact the quality of life for Northwest Indiana's residents and visitors."

While this application does not include a financial request for the Shoreline Community Connection described in this application, the City of East Chicago requests that the dialogue on strategies to connect the Indiana Harbor Community to a redeveloped regional shoreline begin now. This connection, whatever form it takes within the South Shore Lakefront Plan, will be a large public infrastructure project requiring federal and state support and significant lead time. Preliminary strategies and partnerships need to begin now to make this project possible. In this vein, the City of East Chicago has already begun to approach the federal government about possible financial support.

ECONOMIC IMPACT STATEMENT

The shoreline redevelopment and community connection described in this application will have significant positive economic benefits. The following statement is provided by Policy Analytics, LLC.

“Shoreline development is a priority response to an under-utilized and under-appreciated asset of Northwest Indiana – at least in the past. The Lake Michigan shoreline represents an opportunity to change the character and culture of a region. As the dominance of heavy manufacturing wanes and the diversification of the region’s economy progresses, the presence of greenspace, access to beachfront and associated commercial and tourism related developments become magnets for further economic growth. This East Chicago development is at the beginning point and therefore will take many years to ripen to maturity and bear fruit – but a beginning must be made. The analysis of the economic impact of shoreline development by Policy Analytics LLC in its Comprehensive Strategic Plan given to the RDA in January of 2007 estimated that over the life of a project – every local public dollar invested in shoreline development would return approximately \$421 dollars. Although this is an average for the region, it is a reasonable return when viewing similar developments in other parts of the nation and as close as the Chicago shoreline.”

QUALITY OF LIFE

In the South Shore Lakefront Plan application for due diligence and planning, a quality of life impact statement was provided. The funding being requested in this application is in direct support of advancing the SSLP and the related revitalization of the Indiana Harbor community. Therefore, the same quality of life impact statement is provided at the bottom of this page. However, in addition to supporting the advancement of the SSLP, the site assembly, remediation and preparation described in this application would directly impact quality of life by:

- Expanding green space along Indiana's shoreline.
- Improving access to that shoreline.
- Setting the stage for private investment, economic diversification, and job creation as it relates to connecting community revitalization to shoreline redevelopment.
- Supporting the development of high quality housing for a mix of incomes.
- Supporting cultural and recreational activities at renovated parks and a new performing arts center.
- Continuing the essential partnership between local, regional, state and federal government to redevelop Indiana's shoreline for the benefit of its residents.

(Chart provided in SSLP application for due diligence and planning)

Direct Quality of Life Impacts:

<i>Economic</i>	Providing a driving force in the economy by means of supplying customers for nearby businesses, creating jobs from construction and new commercial and retail development, increasing tax revenues for cities, and supporting expansion of the Gary-Chicago Airport through increased tourism.
<i>Environmental</i>	Reclaiming brownfield sites and restoring them through environmental stewardship and showcasing the lakefront and its unique ecological habitat.
<i>Health</i>	Providing recreational opportunities in the form of trail systems and open space to encourage physical activity and decrease obesity; both noted as major areas of concern in the <i>2005 Epidemiological Report on the Health Concerns of Northwest Indiana</i> .
<i>Housing</i>	Revitalizing the Indiana Harbor Community in East Chicago and creating new neighborhoods and mixed-use communities along the lakefront in Gary and around the East Chicago Marina.
<i>Transportation</i>	Improving access to the lakefront from Cline Avenue via a slip ramp to the Gary Marina Access Road and ramps to the lakeshore and communities in East Chicago.
<i>Cultural/Recreational</i>	Encouraging activities and events along the lakeshore which strengthen family, social, cultural, and community ties, while also providing public recreational opportunities along and in Lake Michigan.
<i>Government/Civics</i>	Encouraging inter-municipal cooperation to increase the overall quality of life for Northwest Indiana residents by approaching planning and redevelopment from a regional standpoint.

FUNDING REQUEST AND FINANCIAL ANALYSIS

Funding Request

The City of East Chicago seeks RDA funding for site assembly, remediation and preparation at the gateway areas. The funding request is for \$3,900,000. Project costs have been estimated by the appropriate professional planning, real estate, and infrastructure consultants. This funding would be drawn down over an agreed upon timeline and in an agreed upon approval process.

Gateway Site Preparation, Land Assembly and Remediation	
Shoreline Community Gateway RDA Support	\$2,700,000
Shoreline Park Gateway RDA Support	\$1,200,000
TOTAL	\$3,900,000

Leveraging RDA Funds with Public-Private Investment

The City of East Chicago fully understands the need to leverage public funds to incentivize private investment. Using tax incremental financing, gaming money funds, and other sources, the City has already committed millions of dollars to the areas around the shoreline park and shoreline community gateways in Indiana Harbor. The City has secured state funding support for relocating its water filtration plant away from the shoreline and for the beautification of its existing public beach, Jeorse Park. Moreover, private investment – including the development of new townhomes at the Main Street District, the redevelopment of a community grocery store, and the construction of a new pharmacy – is already returning to Indiana Harbor in expectation of further shoreline and community improvements.

The following projects relate directly to the shoreline, gateways, and lakefront community reinvestment described in this application. Over the next three to five years, these projects will directly complement the site preparation, land assembly, and remediation that would be implemented with RDA funds. In total, RDA funding support would be leveraged with millions of dollars in public and private investment.

SHORELINE

Project	Cost	Sources	Description
Existing beach beautification & erosion prevention	\$56,000	City of East Chicago, NIPSCO Grant	Planted natural grasses and installed playground equipment
Relocation of water filtration plant	\$51,000,000	City of East Chicago, State Revolving Fund Loan Program	Design and construction of new plant
Relocation of raw water pump station	\$5,000,000	City of East Chicago	Design and construction of raw water station
Demolition of existing & vacant Water Filtration Plant	\$1,600,000	City of East Chicago & RDA	Clear 9 acres of land across from East Chicago Marina for SSLP implementation.

GATEWAYS

Project	Cost	Sources	Description
Reopened Jeorse Park & Beach to Public Access	\$75,000	City of East Chicago, NIPSCO Grant, Resorts Casino	Improved access road. Added and graded beach sand.
Callahan Park	\$1,000,000	City of East Chicago	

MAIN STREET DISTRICT REVITALIZATION

Project	Cost	Sources	Description
Townhome Development around Community Retail	\$11,500,000	Private Investment, Tax Incremental Financing District, City of East Chicago	First phase of new residential development in Indiana Harbor
Nunez Park Expansion and Renovation	\$1,500,000	City of East Chicago	Nunez Park expansion and renovation
Carnegie Performing Arts Center	\$4,200,000	Private Investment, City of East Chicago	Convert historic Carnegie Library into new performing arts center
New Streetscape, Sewer, and Water Lines	\$2,400,000	City of East Chicago, Empowerment Zone & Enterprise Zone Funding	New streetscape and landscapes. Separated sewers. New water lines
* Projected 2nd phase of Townhome Development	\$11,500,000	Private Investment, Tax Incremental Financing District, City of East Chicago	* Projected 2nd phase of townhome development
* Projected Mixed-use Development at Main & Broadway	\$25,000,000	Private Investment, New Market Tax Credit Investment, City of East Chicago	* Projected retail and residential development at Main & Broadway

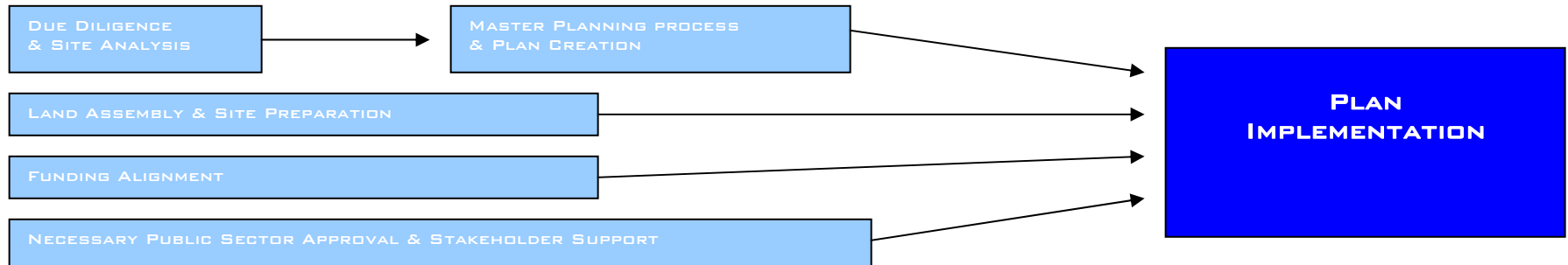
OTHER NEARBY INDIANA HARBOR REDEVELOPMENT

Project	Cost	Sources	Description
* Projected Single Family Home Infill Program	\$19,000,000	Private Investment, City of East Chicago	Single family housing constructed through City program with design guidelines and investment incentives
New Walgreens at Main Street & Columbus	\$1,800,000	Private Investment	Commercial development at Main & Columbus
Community grocery store renovation	\$300,000	Private Investment	Improvements to commercial development at Main & Columbus
Renovation of Block Stadium	\$3,600,000	City of East Chicago	Renovation and expansion of historic baseball stadium

PROJECT TIMELINE

The City of East Chicago's funding request for site assembly, remediation and preparation is being made now because it is a necessary step that can occur while the South Shore Lakefront Plan is being created. Significant unnecessary delays would occur if these tasks were held until after the SSLP is complete. By preparing the gateways now, shoreline redevelopment's impact can be felt more immediately and build momentum for additional phases of redevelopment.

NECESSARY STEPS FOR PLAN IMPLEMENTATION



TASKS	2007	2008	2009	2010	2011
	4: Oct-Dec	1: Jan-Mar 2: Apr-Jun 3: Jul-Sep 4: Oct-Dec	1: Jan-Mar 2: Apr-Jun 3: Jul-Sep 4: Oct-Dec	1: Jan-Mar 2: Apr-Jun 3: Jul-Sep 4: Oct-Dec	1: Jan-Mar 2: Apr-Jun 3: Jul-Sep 4: Oct-Dec
Shoreline Redevelopment Tasks					
South Shore Lakefront Plan Due Diligence					
South Shore Lakefront Plan Creation					
Shoreline Park Gateway Site Preparation					
Community Gateway Site Preparation					
Shoreline Park Gateway Completion					
Community Gateway Completion					

TASKS	2007	2008	2009	2010	2011
	4: Oct-Dec	1: Jan-Mar 2: Apr-Jun 3: Jul-Sep 4: Oct-Dec	1: Jan-Mar 2: Apr-Jun 3: Jul-Sep 4: Oct-Dec	1: Jan-Mar 2: Apr-Jun 3: Jul-Sep 4: Oct-Dec	1: Jan-Mar 2: Apr-Jun 3: Jul-Sep 4: Oct-Dec
Community Core Redevelopment Tasks					
Townhome Development Phase 1					
Townhome Development Phase 2					
Single Family Home Infill Program					
Nunez Park Renovation					
Callahan Park Renovation					
Streetscape Improvements					
Infrastructure Improvements					
Carnegie Performing Arts Center					

Attachment A:
North Harbor Initiative

Attachment B:
Connecting a Redeveloped Shoreline
to a Revitalized Community

SHORELINE - COMMUNITY CONNECTION

INDIANA HARBOR
COMMUNITY

The Indiana Harbor Community is undergoing a long-term revitalization strategy that includes connecting a revitalized Main Street District to a redeveloped marina area and reclaimed beachfront in accordance with Marquette Plan regional implementation.



Shoreline Community Connection

-  Shoreline Green Space & Beach
-  Mixed Use Marina Area
-  Community Core
-  Shoreline - Community Connection
-  Gateways

Indiana Harbor

14 August 06

Attachment C:
Shoreline Park Gateway Site Preparation

Shoreline Park Gateway Site Preparation



- 17 acre park and beach expansion
- Surface parking lot converted to green space as first phase of shoreline park
- Preliminary greening and erosion control in anticipation of SSLP implementation
- New signage and entrance as preliminary access improvements
- Builds momentum for next phases of shoreline redevelopment and provides immediate expansion of green space

Attachment D:
Shoreline Community Gateway Site Preparation

Shoreline Community Gateway Site Preparation



- Allows City to remediate and prepare land (multiple block faces) for shoreline community gateway.
- Gateway will help bring the economic benefits of shoreline redevelopment into revitalizing Main Street District.
- Land assembly, remediation and site preparation will build momentum for regional shoreline redevelopment, community connection and private investment.
- Demonstrates clear complementary relationship between shoreline redevelopment and community revitalization.

CALLAHAN PARK RENOVATION



The Gateway will include a Renovated Callahan Park designed to accommodate festivals and outdoor concerts, provide passive green space, and provide community gardening plots. The City of East Chicago has committed \$1,000,000 to this renovation.



Vacant or underutilized land and buildings to be remediated for connecting SSLP's shoreline redevelopment to revitalizing Main Street